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RUEATRS/DEPT OF TREASURY WASHINGTON DC 0919

S E C R E T SECTION 01 OF 02 KABUL 003364

SIPDIS

DEPT PASS TO S/SRAP, S/CT, EEB, and SCA/A

EO 12958 DECL: 10/19/2019
TAGS EINV,EFIN, KTFN, PGOV, AF
SUBJECT: AFGHANISTAN: CAPITAL FLIGHT AND ITS IMPACT ON FUTURE
STABILITY

REF: A. KABUL 2791 B. KABUL 3326

Classified By: CDDEA Ambassador E. Anthony Wayne for reasons 1.4 (b) and (d).

1.(S) SUMMARY: Afghanistan's is a cash-based economy, relying on historic trade linkages with neighboring and regional partners. Given Afghanis

Recent Trends

12. (S) While reports vary widely, records obtained from Kabul International Airport (KIA) support suspicions large amounts of physical cash tr

One Factor: Election Unease

13. (S) In an October 7 meeting, Afghan Central Bank Governor Abdul Qadeer Fitrat stressed there are no indications of significant capital flic

14. (C) Separately, and in the same timeframe as the meeting with Fitrat, CEOs from several leading banks approached the Treasury Attache with
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Illicit Versus Licit

15. (C) Taking capital out of Afghanistan (physically through cash or value or by using wire transfer) is not illegal, as long as it is declare

16. (S) While it is impossible to know for sure at this point, our sense is the money leaving Afghanistan is likely a combination of illicit ar

Comment

17. (S) The sense among Mission elements is that significant volumes of cash leave Afghanistan through wire transfers, the hawala network and f
EIKENBERRY